

# The **PERA** Deferral

June 2014

Newsletter for deferred members of the Public Employees Retirement Association of Minnesota

Offices in St. Paul, Duluth and Mankato

Over 49,000 Vested Deferred Members

## A survivor option now 'costs' you less

Longer life expectancies and lower benefit increases over the next few years spell good news for PERA members choosing a survivor option for retirement.

New actuarial tables decrease the reduction imposed when a member chooses a survivor option instead of a single-life benefit. The result is the member receives a larger monthly benefit while providing the same level of protection for his or her designated survivor. This change took effect July 1, 2013.



PERA periodically reviews how much the monthly survivor benefit should be reduced to keep the overall benefit actuarially equivalent to the Single-life base option. That means they will both, on average, pay out the same total amount over time. A member now receives less of a reduction (than prior to the change in factors) when choosing one of the survivor options because he or she is expected to receive a monthly benefit payment for a longer period of time. This gives PERA more time before we potentially begin making any payments to a survivor and allows the necessary funds to grow until needed.

Like some life insurance policies, the longer the time you have to pay the premiums before the expected benefit may be paid, the lower the monthly cost of the coverage. That's why the premium for a policy purchased at age 20 is significantly less than the same policy at age 50. The same principle applies to our survivor options.

### Turn to MY PERA for some answers

The new reduction factors are now incorporated in estimates available in MY PERA; both the general retirement estimates, and the estimates you may calculate using your selected age or retirement dates. Thus, by entering different retirement dates you can gauge the impact of the changes on your future PERA plan benefits.

## Nearly 30% of MY PERA users are deferred members

Designed to provide on-line services for all our members, MY PERA has proven to be as valuable for our deferred members and retirees as it is for active members of the Association.

In fact, 21 percent of our deferred members now have MY PERA accounts. That's over 36,000 inactive members of the Association who have immediate access to their records on line. Overall, they make up 29 percent of the 125,000 members who are registered MY PERA users.

Starting out in 2005 as little more than an electronic personal benefit statement for active members and an online pay stub and payment history for retirees, MY PERA has grown to offer a multitude of services to all our members. Deferred members can update their personal information on file with PERA and generate benefit estimates that are just as accurate as those PERA produces in house.

And don't forget about retirement. MY PERA offers just as many services to members once they begin receiving benefits.

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[www.mnpera.org](http://www.mnpera.org)

## Reflection and Transition

**H**ow does a person define organizational success? In the private sector, is it measured by the annual profit generated or by the organization's stock value? Are there intangibles such as customer service, brand loyalty, or social conscience which define the organization's success? How does a person define success in the public sector? Is success measured by how low taxes are maintained, or ensuring that the "majority" achieve their goals?

It really is impossible to formulate any one answer because "success" is measured differently by every individual. It is within this parameter that public service becomes an overriding mission for those who have chosen a public sector career over a private sector career.

Each one of us at some point in our career path has made a conscious decision, for a variety of reasons, to choose public service. I believe that the choice was eventually made to help improve the overall living standard for the people of Minnesota, no matter what our level of governmental service.

Your Board of Trustees was informed on May 8th that our Executive Director will begin a transitional period, whereby in January 2015, the Director's public service career will come to a close and a new "career," retirement, will begin. This transition is notable because in our 83-year history, PERA has only had six executive directors. Mary Vanek, our current director, has held the post for 17 years. Mary's tenure is second only to PERA's original director, O.M. "Mike" Ousdigian, who actually hired Mary in 1975.

In an era when governmental agency chief operating official tenures seem to be measured in ever shorter time periods, PERA has been blessed with continuity of leadership. The result has been an efficient and effective organization that has always shared an emphasis on providing you, the members, with benefits and services balanced by the need to be financially responsible to all members and taxpayers. It is no small achievement that PERA functions with a staff that, on a per member basis, is half the national average in size.

Mary's intangible and personal qualities have helped evolve and define what PERA represents today. It has been Mary's caring and compassion for all members, as well as an understanding and appreciation of the financial challenges facing our members' employers and the public at large that has defined the organization's success. Mary has mastered the ability to balance the expectations of the Association members (active, deferred, retirees, survivors, future) with the necessary fiscal prudence and responsibility sought by taxpayers. It is within that concept that numerous major pension reforms were enacted. Mary's ability to merge various diverse positions into comprehensive pension legislation which garnered bi-partisan legislative support year after year became her legacy.

The executive director becomes the voice and image of the Association. That requires equal parts educator, advocate and defender. In a time when public pensions are portrayed in some quarters as unsustainable relics of a bygone era, and even going so far as to blame them for contributing to the bankruptcies of some mismanaged local governments, a firm but calm voice of reason is needed.

It requires the ability to advocate and implement change when change is necessary, but the resolve to resist change for mere political expediency.

Over the next seven months, the Board will be searching for such an individual. Of all the duties we Trustees assumed when we accepted our appointment or election to the Board, this is undoubtedly the most critical to the future of the Association. It won't be easy, but it will be gratifying when the new director is appointed.

After 39 years at PERA, Mary has more than earned her retirement. We wish her the best. Until January 2015, we will seek her guidance as we try to find a suitable replacement. Notice, I said, "suitable." It will be difficult to find a comparable director.

The Deferral is published as a service to deferred members of the Public Employees Retirement Association.

**PERA is  
an Equal  
Opportunity  
Employer**

Toll Free—1-800-652-9026, or 651-296-7460, Between 8:00 a.m. and 4:30 p.m.  
Fax Number—651-297-2547 Internet—www.mnpera.org  
Mary Most Vanek—Executive Director

This document is available in alternative formats to individuals with disabilities by calling 1-800-652-9026 or through the Minnesota Relay Service at 1-800-627-3529.



### President's Message



Don Rambow

### Board Directory

**PERA's trustees invite you to notify them personally of any concerns you have regarding the policies or operations of the Association.**

**Don Rambow**  
Board President  
Cities Representative  
City of White Bear Lake  
4701 Highway 61  
White Bear Lake, MN 55110  
651-429-8517

**Kathryn A. Green**  
Board Vice President  
School Board Representative  
401 3rd Ave. NW  
Austin, MN 55912  
507-437-8667

**Rebecca Otto**  
State Auditor  
525 Park Street, Suite 500  
St. Paul, MN 55103  
651-296-2551

**Paul Bourgeois**  
Membership Representative  
Minnetonka ISD 276  
5621 County Road 101  
Minnetonka, MN 55345  
952-401-5024

**Leigh Lenzmeier**  
Counties Representative  
919 West St. Germain St.  
St. Cloud, MN 56301  
320-251-0653

**Louise A. Olson**  
Retiree/Disabiltant  
Membership Representative  
6963 109th. Ave.  
Clear Lake, MN 55319  
320-743-2138

**Clint Schumacher**  
Membership Representative \*  
S. Minnesota Muni. Power Agency  
500 First Avenue SW  
Rochester, MN 55902  
507-292-6414

**Thomas Stanley**  
Membership Representative \*  
St. Louis Co. Attorney's Office  
100 N. Fifth Ave. W.  
Duluth, MN 55802  
218-726-2323

**Lawrence J. Ward**  
Annuitant Representative  
3221 Old Highway 8  
Minneapolis, MN 55418  
612-354-2006

\* Appointed to complete elected term

## We take your privacy seriously . . . very seriously

At PERA there are some things we just won't do—things like asking you for personal information in an email.

In a world where one has to be ever vigilant in protecting one's identity, PERA takes your privacy very seriously. Over the years, we have implemented a series of security measures and procedures to try and stay ahead of those who would seek to impersonate you or us.

### Back to those emails

PERA will not include your personal information in an email, nor will we request it . . . things like your Social Security number, phone number, address or password. In fact, if you receive an email requesting such information from anyone, be very suspicious. And if you are not confident of the source, don't respond to the email or click on any attachments or links. It could be an effort to trick you into divulging sensitive information like passwords and Social Security numbers. Typically, the only time PERA will send an email containing a link, unless it is in response to a request from you, is for our member newsletters.

### What about our website?

No personal data is available or accessible anywhere in our website, [www.mnpera.org](http://www.mnpera.org), except through MY PERA, our secure member portal. Actually, MY PERA is a separate system with no physical or electronic connection to the remainder of the website other than the link that brings you to the sign-on page. There is no back door.

The servers PERA uses for MY PERA are protected by industry standard technologies, including password protection and firewalls. Personal information submitted by users and information provided by us through MY PERA are both secured with encryption. We are constantly evaluating and improving our security, including using outside firms to periodically test our security measures.

### It's also up to you

To make it all work, you have to do your part as well. You are entirely responsible for maintaining the confidentiality of your password and any access to your MY PERA account that you give to others. Make your password as secure as possible. As for the questions and answers you provide to retrieve a forgotten password, make sure only you know the answers to the questions you post.

### Yes, we do collect some information on line

We do not collect **personal information** about you on line unless you choose to provide it. Nor do we use cookies to collect user information. However, we do collect and store some data like the Internet protocol (IP) address of the computer you are using, the browser software you use, and your operating system. This is necessary to transfer data and information, to serve you better, and to evaluate and improve our website and services. This information is not shared.

### Hello, this is PERA

How does PERA know it's really you when you call? If you phone PERA with a question about your benefits, our counselors will ask a series of identity questions. Those questions allow us to verify it truly is you at the other end of the line and give us the opportunity to update any information that may have changed. We cannot share personal information with anyone over the phone until we have positively identified the caller.

### Do we share any of your information?

As for providing information on you to others, there is very little information PERA will share with anyone other than an authorized government agent without a court order, power of attorney, or your express permission. This even includes your spouse. All we can divulge is your name, gross pension, and type of benefit.

If you wish to allow others to receive additional information, there is a *Consent for Release of Information* form available on our website. On that form you specify who is to receive the information, as well as the nature of that information.

Otherwise, PERA has a very strict policy addressing the release of personal and private information. That policy is reviewed regularly, and applies to PERA employees as well as the general public. Releasing your private or personal information to an unauthorized individual is an offense punishable by sanctions that can include dismissal of the employee. Staff members are also limited on their access to your account information unless it relates to processing the account, as part of PERA's regular business operations, or in responding to a request from you.



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PERA expands Group Counseling Schedule  
**PERA is aggressively expanding its Group Retirement Counseling program across the state. In addition to at least two counseling sessions at our St. Paul office every week, we are also sponsoring over three dozen sessions across Minnesota this year.**

**And that's in addition to group counseling programs held in response to requests from employers.**

**Group counseling is open to all PERA active and deferred members. To register for a Group Retirement Counseling session, check the schedule in MY PERA at [www.mnpera.org](http://www.mnpera.org).**



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## Mary Vanek announces retirement plans

Mary Most Vanek, PERA's executive director for the past 17 years, announced her intention to retire from public service next January. The announcement was made at the Thursday, May 8, meeting of the Board of Trustees. The Board will be discussing the search for a new director at its August meeting.

Appointed to head PERA in 1997, Vanek has spent her entire career serving Association members, having joined the agency in 1975. Her selection followed a nationwide search.

Prior to assuming her current position, Vanek was the manager of the Association's Member and Legislative Services Division. During her career she has worked in nearly every department of the Association. She is only the sixth director in PERA's 83-year history.

Rebecca Otto, State Auditor and a statutory member of the Board, acknowledged the advancements in efficiency and member service made by PERA over the past few years under Vanek's leadership. She said the director was leaving the Association in a "great position" to meet the challenges of the future.

Don Rambow, Board president, praised Vanek for her work and said she had earned her retirement. "That's what we are here for, to see people enjoy themselves in retirement and enjoy the fruits of their work," he said.

Vanek's retirement was not the only such announcement at the meeting. Board Police and Fire Representative Bruce Jensen announced his retirement at the end of May. His seat, along with the other four elected Board positions, will be up for election next January.



Your one-stop shop  
for all the tools you  
need to apply for  
retirement benefits  
at [www.mnpera.org](http://www.mnpera.org).